Walton International Ltd v Yong Teng King b/s Hong Kong Trading Co & Anor

HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO R1–25–177 OF 2003
RAUS SHARIF J
23 FEBRUARY 2007

Trade Marks — Application for registration — Opposition — Whether first respondent copied appellant's trade mark — Whether first respondent had prior use of trade mark in respect of goods in Class 9 in Malaysia — Whether issue of confusion or deception arose — Whether appellant could claim monopoly over mark

This was the appellant's appeal against the decision of the learned Registrar of Trade Marks, Malaysia ('Registrar') in dismissing the appellant's notice of opposition filed against the first respondent's trade mark application. The first respondent had applied to register the trade mark 'GIORDANO' for optical and sun glasses in Class 9. The appellant, an associated company of Giordano Ltd, were both part of the group of companies owned by Giordano Holdings of Hong Kong, a public listed company on the Hong Kong Stock Exchange since 1991. Following a restructuring, the appellant and Giordano Ltd became wholly owned subsidiary of Giordano International Ltd of Bermuda, also a public listed company on the Hong Kong Stock Exchange. In Malaysia the appellant was the registered proprietor, applicant and assignee of the GIORDANO trade mark ('GIORDANO mark') for goods in Class 3,18 and 25. Apart from the above applications and registrations in Malaysia, the appellant was also the registered proprietor and applicant for registration, whether by itself or through assignments, of the GIORDANO mark for goods in, inter alia, Class 9, 14, 18 and 25 in many other countries around the world. The first respondent is a sole proprietor of Hong Kong Trading. He ventured into businesses of selling watches with leather and imitation leather straps in 1986 and selling optical and sun glasses, cases made of leather or imitation leather in 1992 in Malaysia. All the goods sold and dealt with by the first respondent used the 'GIORDANO' mark. He had in fact applied to register the GIORDANO mark for goods in Class 9, 14 and 18 and had obtained registration of the GIORDANO mark in Class 14. The first respondent's application for registration of GIORDANO mark in Class 9, ie for optical and sun glasses was filed. The application was accepted by the Registrar and advertised in the Government Gazette. Following the gazette notification, the appellant filed a notice of opposition to oppose the application. The Registrar decided in favour of the first respondent, ie rejecting the applicant's opposition, and accepted the first respondent application for registration of GIORDANO mark for Class 9. Hence, this appeal by the appellant.

Held, dismissing appellant's appeal with costs:

(1) The first respondent was the first person who used the GIORDANO mark in

Class 9 in Malaysia. The appellant on the other hand had not adduced any evidence to show that it had in fact sold goods bearing the said mark in Class 9 in Malaysia. There was no evidence or proof of use by the appellant of GIORDANO mark on goods in Class 9, either prior to the first respondent's trade mark application or even after the said application. Hence, the appellant had no reputation or goodwill in the GIORDANO mark in connection with goods in Class 9 (see para 15).

(2) Both the appellant's and respondent's products were being sold at different stores. In fact there was no evidence that the appellants were selling optical and sun glasses in Malaysia. Thus, the issue of confusion or deception as raised by the appellant did not arise (see para 17).

(3) The first respondent had successfully registered its GIORDANO mark for goods in Class 14 in Malaysia. The opposition by the appellant was similarly dismissed by the Registrar. But the appellant did not mount any appeal against the decision of the Registrar. This was a clear indication that the appellant had accepted the fact that it could not claim any monopoly over the 'GIORDANO' mark (see para 18).

[Bahasa Malaysia summary

Ini adalah rayuan perayu terhadap keputusan Pendaftar Tanda Niaga, Malaysia ('Pendaftar') yang menolak notis penentangan perayu yang difailkan terhadap permohonan tanda niaga responden pertama. Responden pertama telah memohon untuk mendaftarkan tanda niaga 'GIORDANO' untuk cermin mata dan cermin mata gelap dalam Kelas 9. Perayu sebuah syarikat bersekutu Giordano Ltd, yang mana kedua-duanya merupakan sebahagian daripada kumpulan syarikat-syarikat yang dimiliki oleh Giordano Holdings of Hong Kong, sebuah syarikat senarai awam di Bursa Saham Hong Kong sejak 1991. Berikutan penstrukturan semula, perayu dan Giordano Ltd menjadi anak syarikat milik sepenuhnya Giordano International Ltd of Bermuda, juga sebuah syarikat senarai awam di Bursa Saham Hong Kong. Di Malaysia perayu merupakan tuanpunya berdaftar, pemohon dan pemegang serah hak tanda niaga GIORDANO ('tanda GIORDANO') untuk barangan dalam Kelas 3, 18 dan 25. Selain daripada permohonan di atas dan pendaftaran di Malaysia, perayu juga adalah tuanpunya berdaftar dan pemohon untuk pendaftaran, sama ada melaluinya atau melalui penyerahhakan, tanda GIORDANO untuk barangan dalam, antara lain, Kelas 9, 14, 18 dan 25 di banyak negara lain seluruh dunia. Responden pertama merupakan satu-satunya tuanpunya Hong Kong Trading. Beliau telah memasuki perniagaan menjual jam tangan dengan tali kulit dan kulit tiruan dalam tahun 1986 dan menjual cermin mata dan cermin mata gelap, beg kulit atau kulit tiruan dalam tahun 1992 di Malaysia. Kesemua barangan yang dijual dan diuruskan oleh responden pertama menggunakan tanda 'GIORDANO'. Bahkan beliau telah memohon untuk mendaftarkan tanda GIORDANO untuk barangan dalam Kelas 9, 14 dan 18 dan telah memperoleh pendaftaran untuk tanda GIORDANO dalam Kelas 14. Permohonan responden pertama untuk pendaftaran tanda GIORDANO dalam Kelas 9, iaitu untuk cermin mata dan cermin mata gelap telah difailkan. Permohonan tersebut telah diterima oleh Pendaftar dan diiklankan dalam Warta Kerajaan. Berikutan pemakluman warta itu, perayu telah memfailkan satu notis

penentangan untuk menentang permohonan itu. Pendaftar telah memutuskan menyebelahi responden pertama, iaitu menolak penentangan pemohon, dan menerima permohonan responden pertama untuk pendaftaran tanda GIORDANO untuk Kelas 9. Justeru itu, inilah rayuan oleh perayu.

Diputuskan, menolak rayuan perayu dengan kos:

(1) Responden pertama adalah orang pertama yang menggunakan tanda GIORDANO dalam Kelas 9 di Malaysia. Perayu sebaliknya tidak mengemukakan apa-apa keterangan untuk menunjukkan bahawa ia sememangnya telah menjual barangan dalam Kelas 9 di Malaysia. Tiada keterangan atau bukti berguna oleh perayu tentang tanda GIORDANO atas barangan dalam Kelas 9, sebelum permohonan tanda niaga responden pertama atau selepas permohonan tersebut. Oleh itu, perayu tiada reputasi atau nama baik dalam tanda GIORDANO berkaitan dengan barangan dalam Kelas 9 itu (lihat perenggan 15).

(2) Kedua-dua produk perayu dan responden dijual di kedai yang berlainana. Bahkan tiada keterangan bahawa perayu-perayu menjual cermin mata dan cermin mata gelap di Malaysia. Oleh itu, isu tentang kekelirupan atau penipuan seperti yang ditimbulkan oleh perayu tidak wujud (lihat perenggan 17).

(3) Responden pertama berjaya mendaftarkan tanda GIORDANO untuk barangan dalam Kelas 14 di Malaysia. Penentangan oleh perayu juga ditolak oleh Pendaftar. Namun perayu tidak mengemukakan sebarang rayuan terhadap keputusan Pendaftar. Ini jelas menunjukkan bahawa perayu telah menerima hakikat bahawa ia tidak boleh menuntut apa-apa monopoli ke atas tanda (GIORDANO' tersebut (lihat perenggan 18).]

Notes

For cases on opposition to registration of trade marks, see 12 *Mallal's Digest* (4th Ed, 2002 Reissue) paras 1684–1710.

Cases referred to

Aston v Hartee Manufacturing Co [1960] 3 CLR 391 (refd)
Davidoff Extension SA v Davidoff Commercio E Industria LTDA [1988] 1 MLJ 234 (refd)
Fazaruddin bin Ibrahim v Parkson Corporation Sdn Bhd [1997] 4 MLJ 360 (refd)
Karrimor International Ltd v Ho Choong Fun t/a Ah Hwa Trading Co [1989] 3 MLJ 467 (refd)
Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7 (refd)
Moorgate Tobacco Ltd v Philip Morris Ltd & Another [1985] LRC (Comm) 682 (refd)
Seven Up Co, The v OT Ltd [1947] 75 CLR 211 (refd)
Thrifty Rent-A-Car System Inc v Thrifty Rent-A-Car Sdn Bhd & Anor [2004] 7 MLJ 567 (refd)

Michael Soo (KP Ng with him) (Shook Lin & Bok) for the appellant.
WA Shashila (RamRais & Partners) for the respondent.

Raus Sharif J (now JCA):

[1] This is the appellant's appeal against the decision of the learned Registrar of Trade Marks, Malaysia ('Registrar') in dismissing the appellant's notice of opposition filed against the first respondent's trade mark application No 92/0511. The first respondent had applied to register the trade mark 'GIORDANO' for optical and sun glasses in Class 9.

[2] The appellant, Walton International Limited, is an associated company of Giordano Limited, where both were part of the group of companies owned by Giordano Holdings of Hong Kong, a public listed company on the Hong Kong Stock Exchange since 1991. Following a restructuring, the appellant and Giordano Limited became wholly owned subsidiary of Giordano International Limited of Bermuda, also a public listed company on the Hong Kong Stock Exchange.

[3] In Malaysia the appellant is the registered proprietor, applicant and assignee of the GIORDANO trade mark ('GIORDANO mark') in the following classes of goods:

No	Mark/No	Classes of Goods	Status
1	GIORDANO Reg No M/94638, Reg No S/30459 and Reg No Sar/25720	Class 25 for garments and wearing apparels	Registered
2	GIORDANO Application No 92/02280	Class 18 for leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hide; trunks and travelling bags; umbrellas, parasols and walking sticks, whips, harness and saddlery.	Pending registration
3	GIORDANO Application No 88/02812	Class 25 for articles of clothing	Pending issuance of Certificate of Registration

4	GIORDANO World without Strangers Application No 96/09187	Jeans, T-shirts, pouch, accessories, trousers, clothing, footwear and headgear all included in Class 25.	Pending
5	GIORDANO LADIES Application No 98/01379	Class 3	Pending
6	GIORDANO LADIES Application No 98/01382	Class 18	Pending
7	GIORDANO LADIES Application No 98/01384	Class 25	Pending
8	GIORDANO KIDS & Device Application No 98/01382	Class 18	Pending
9	GIORDANO KIDS & Device Application No 98/01383	Class 25	Pending

[4] Apart from the above applications and registrations in Malaysia, the appellant is also the registered proprietor and applicant for registration, whether by itself or through assignments, of the GIORDANO mark for goods in, inter alia, Classes 9, 14, 18 and 25 in many other countries around the world.

[5] The first respondent is a sole proprietor of Hong Kong Trading. He ventured into businesses of selling watches with leather and imitation leather straps in 1986 and selling optical and sun glasses, cases made of leather or imitation leather in 1992 in Malaysia. All the goods sold and dealt with by the first respondent used the 'GIORDANO' mark. He had in fact applied to register the GIORDANO mark for goods in Class 9, 14 and 18 and had obtained registration of the GIORDANO mark in Class 14.

[6] The first respondent's application for registration of GIORDANO mark in Class 9 i.e. for optical and sun glasses was filed on 25 July 1992. The application was accepted by the Registrar and advertised in the Government Gazette on 8 June 1995. Following the gazette notification, the appellant filed a notice of opposition to oppose the application.

[7] The opposition proceedings proceeded before the Registrar with the filing of statutory declarations and written submissions from both parties. On 19 July 2003, the Registrar decided in favour of the first respondent, ie rejecting the applicant's opposition, and accepted the first respondent application for registration of GIORDANO mark for Class 9. Hence, this appeal by the appellant.

[8] It is the appellant's case is that the first respondent cannot in law and in fact be the bona fide proprietor of the GIORDANO mark since the appellant is the originator the mark. The appellant stated that the GIORDANO mark originates from Hong Kong Giordano Limited and it first used the mark in Hong Kong sometime in June 1981. The GIORDANO mark in its current stylised and typeface was designed by the creative department of Giordano Limited, in the late 1985. Shortly after its creation, the mark was extensively used in respect of garments and wearing apparels (Class 25). The mark was eventually used on other goods such as watches with leather straps, leather belts, eyewear including sun glasses, bags and wallets in Hong Kong. These goods were exported to other countries in South East Asia region including Malaysia. In Malaysia, the sales of goods bearing the GIORDANO mark such as articles of clothing, leather belts, bags, wallets, umbrellas and other fashion accessories commenced in 1990, in Metrojaya outlets, Kuala Lumpur and thereafter, to other states throughout Malaysia. These goods, as claimed by the appellant, were and being extensively advertised and promoted in, inter alia, Malaysian newspapers, magazines and television commercials. Thus, it is the contention of the appellant that the first. Respondent had copied the appellant's trade mark, thereby misappropriating the reputation, goodwill, and commercial advantage of the appellant's GIORDANO mark.

[9] The first respondent on the other hand, contended that he had prior use of the GIORDANO mark in respect of goods in Class 9 in Malaysia. According to him, he had been selling optical and sun glasses using the GIORDANO mark since 1992. Thus, it is the contention of first respondent that appellant's notice of opposition was mala fide because:

(i) the appellant had never applied for registration for the 'GIORDANO' mark for goods in Class 9; and

(ii) there was no evidence or proof of use by the appellant of 'GIORDANO' mark on goods in Class 9 either prior to the first respondent's application or even after the said application.

[10] Mr Michael CM Soo, learned counsel for the appellant, submitted that the facts of this case are similar to that of *Thrifty Rent-A-Car System Inc v Thrifty Rent-A-Car Sdn Bhd & Anor* [2004] 7 MLJ 567 and urged this court to make the same findings as in that case. It is therefore necessary to undertake a careful examination of that case.

[11] In *Thrifty Rent-A-Car*, the facts are these. The Thrifty Rent-A-Car system ('the respondent') had been engaged in the business of, inter alia, renting and leasing vehicle, providing vehicle parking, travel agency service, renting and leasing equipment and selling vehicles in the United States of America since 1958 and had

A appointed licenses and franchises to carry out the business worldwide since 1960s by using trade mark Thrifty Rent-A-Car ('Thrifty mark'). Since early 1985, the opponent's franchise in Malaysia and Singapore had been using the Thrifty mark. On 8 October 1985, Thrifty Rent-A-Car Sdn. Bhd. ('the applicant') filed an application to register the Thrifty mark in respect of paper and paper articles, B cardboard and cardboard articles, stationery and adhesive materials in Class 19. The application was allowed by the Registrar despite the opposition from the respondent. The learned High Court judge in overturning the decision of the Registrar, ie allowing the respondent's opposition held, inter alia, that the Registrar should not have allowed the application as the applicant was not and could not claim to be the originator or proprietor of the Thrifty mark as the respondent was the C originator and first user of, and had been using and promoting the Thrifty mark's worldwide including Malaysia prior to the applicant's application for registration of the Thrifty mark by the applicant. In coming to the said conclusion the learned High Court judge adopted the principles laid down by the High Court of Singapore in *Karrimor International Ltd v Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ D 467 where his Lordship said at pp 61–62:

> I think the learned registrar should not have allowed the application under opposition to proceed to registration as the first respondent is not and cannot claim to be the originator or proprietor of the Thrifty mark since the appellant is the originator and first user of, and had been using the Thrifty mark many years before the first respondent applied for E registration of the Thrifty mark. In *Karrimor International Ltd v Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ 467, the applicants were a company incorporated in the United Kingdom and were manufacturers and dealers of school bags and knapsacks bearing the 'Karrimor' trade mark, which had been used since 1958 and had been registered in Great Britain and many foreign countries. The respondent on the other hand had been distributing and selling similar items bearing the 'Karrimor' trade mark since 1984 in F Singapore. On the dispute of ownership between the applicants (i.e. the foreign trader) and the respondent (ie the local trader) in respect of the mark, Chua J at p 468 left column, lines C–H said:
>
> > The applicants have since 1958 acquired a worldwide reputation in their products. They have acquired a substantial and established reputation and goodwill in the business G of 'Karrimor' school bags and knapsacks.
> >
> > The trade and public exclusively identify 'Karrimor' school bags and knapsacks with the applicants.
> >
> > The respondent has been distributing and selling school bags and knapsacks with the trade mark 'Karrimor' since only 1984.... *There is no evidence that the respondent had* H *advertised his products widely in newspapers. The respondent must have been well aware of the well-known trade mark of the applicants. He has not explained at ail his choice of the trade mark 'Karrimor' which is very similar to 'Karrimor'. The name of the applicants contains the trade mark 'Karrimor'. This fact indicates that the respondent did not independently devise his trade mark but in fact copied it from the applicants' trade mark. The respondent in truth is not the true proprietor of the mark 'Karrimor'. There is no doubt that the respondent is trying* I *to obtain the benefit of the worldwide reputation of the applicants.* (Emphasis added.)

[12] To further support his submission, Mr Michael CM Soo also referred to the case of *Davidoff Extension SA v Davidoff Commercio E Industria LTDA* [1988] 1 MLJ 234. There, the applicant, Davidoff Extension SA, was a company in a group of

companies which marketed certain cigars under trademark 'Davidoff'. The Davidoff Group of Companies have registered their trademark 'Davidoff' in many parts of the world. The respondents obtained registration of the 'Davidoff' trade mark in Singapore. The High Court of Singapore in allowing the applicant's application for rectification of the respondents' trade mark registration said:

> It is clear from the evidence that the trade mark Davidoff has long been associated with the Davidoff Group as owners. The trade mark Davidoff originated with (sic) Mr Zino Davidoff who is still involved with the Davidoff Group. The trade mark Davidoff was first registered in Switzerland by Davidoff et Cie in Switzerland in December 1969. Prior to 1979, consumers in Singapore ordered Davidoff cigars from the applicants' office in Basle....
>
> *The respondents were well aware of the prior claim to the proprietorship of the trade mark 'Davidoff' by the applicants. The respondents have not sufficiently explained their choice of the 'Davidoff' trade mark. The applicants' trade mark had acquired a sufficient reputation in this country, at the date of the application by the respondents for the registration of their mark, as to merit protection. The respondents were not entitled to registration at the time of their application (see Pelican TM).*. (Emphasis added.)

[13] Applying the above principles to the facts of this case, it was submitted by Mr Michael CM Soo that the first respondent did not independently devise the GIORDANO mark but copied it from the appellant. According to him, the logical inference against the first respondent choice of using the GIORDANO marks on his goods was to cash in on the appellant's worldwide reputation and goodwill. In short, it was submitted Mr Michael CM Soo that the act of the first respondent was a classic example of piracy of foreign trade marks by unscrupulous locals.

[14] Mrs WA Shashila, the learned counsel for the first respondent strongly refuted the label that the first respondent was the unscrupulous local who pirated the appellant's GIORDANO mark. She submitted that the first respondent's right over the use of the GIORDANO mark cannot be disputed as the first respondent was the first user of the said mark in respect of goods in Class 9 in Malaysia. According to her, since the first respondent was the first person who used the GIORDANO mark for Class 9 in Malaysia, he became the proprietor of the mark. To support his proposition, she cited: *Fazaruddin bin Ibrahim v Parkson Corporation Sdn Bhd* [1997] 4 MLJ 360, *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7, and three Australian cases of *Moorgate Tobacco Ltd v Philip Morris Ltd & Anor* [1985] LRC (Comm) 682, *The Seven Up Co v OT Ltd* [1947] 75 CLR 211 and *Aston v Hartee Manufacturing Co* [1960] 3 CLR 391.

FINDINGS OF THE COURT

[15] On the facts of this case, my respectful view is that the Registrar was right in dismissing the appellant's opposition to the first respondent application to register the GIORDANO mark for Class 9. To me, this is not a classic example of piracy of foreign trade marks by unscrupulous locals as contended by the applicant. From the evidence, it is clear that the first respondent was the first person who used the GIORDANO mark in Class 9 in Malaysia. The appellant on the other hand has not adduced any evidence to show that it has in fact sold goods bearing the said mark in Class 9 in Malaysia. There is no evidence or proof of use by the appellant of

A GIORDANO mark on goods in Class 9, either prior to the first respondent's trade mark application or even after the said application. Hence, the appellant has no reputation or goodwill in the GIORDANO mark in connection with goods in Class 9.

B **[16]** To my mind, the appellant's reputation and goodwill extents only to goods in Class 25, ie for clothing footwear and headgear which is not similar with the first respondent's goods, ie optical and sun glasses. Clearly, the appellant's goods are of a different description and from the evidence they were sold not in the same trade channel as the appellant but rather, in very different stores. In *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7, Mahadev Shanker JCA on distinctiveness had this to say:

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> For the purpose of establishing distinctiveness, therefore, one must look to the use of the mark in the course of trade. The element of confusion comes in when goods belonging to two different proprietors with similar marks are competing in the same market in the course of trade.

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[17] In the present case both the appellant's and respondent's products are being sold at different stores. In fact there is no evidence that the appellants were selling optical and sun glasses in Malaysia. Thus, the issue of confusion or deception as raised by the appellant does not arise.

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[18] Another point is this. The first respondent had successfully registered its GIORDANO mark for goods in Class 14 in Malaysia. The opposition by the appellant was similarly dismissed by the Registrar. But the appellant did not mount any appeal against the decision of the Registrar. To me, this is a clear indication that the appellant had accepted the fact that it cannot claim any monopoly over the 'GIORDANO' mark. It is for this reason that the cases of *Thrifty Rent-A-Car* and *David off Extension SA* are of no assistance to the appellant's cause.

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[19] On the above reasons, the applicant's appeal is hereby dismissed with costs.

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Appellant's appeal dismissed with costs.

Reported by K Krishnan

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